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FM AMEMBASSY BRIDGETOWN
TO RUEHC/SECSTATE WASHDC PRIORITY 4589
INFO RUCNCOM/EC CARICOM COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0269
RUEHCV/AMEMBASSY CARACAS PRIORITY 1693
RUEHIN/AIT TAIPEI PRIORITY 0125
RUMIAAA/HQ USSOUTHCOM J2 MIAMI FL PRIORITY
RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL PRIORITY
RUEHCV/USDAO CARACAS VE PRIORITY

C O N F I D E N T I A L BRIDGETOWN 000488

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DEPT FOR WHA/CAR-COLLINS, BUDDEN

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TAGS: PREL PGOV EAID ETRD OFDP CH TW ST XL

SUBJECT: ST. LUCIA - TAIWAN BACK IN, CHINA TO BOW OUT

REF: A. 06 BRIDGETOWN 2026

¶B. 06 BRIDGETOWN 1961

Classified By: CDA Mary Ellen T. Gilroy for reasons 1.4(b) and (d).

¶11. (C) SUMMARY: The Government of St. Lucia formally announced during its April 24 budget debate that it will re-establish full diplomatic relations with Taiwan. In exchange, Taiwan has agreed to develop agricultural diversification, ecotourism, information technology, and learning centers throughout St. Lucia. The Chinese Embassy has confirmed that it will sever relations with St. Lucia in keeping with the One China Policy. This move by St. Lucia may spur an escalation in the Chinese foreign assistance battle in the Caribbean. END SUMMARY.

WE RECOGNIZE TAIWAN

¶12. (U) St. Lucian Foreign Minister Rufus Bousquet announced on the evening of April 24, 2007, that the Government of St. Lucia (GOSL) will establish full diplomatic relations with Taiwan. The announcement was made during the budget debate in Parliament.

¶13. (U) In his speech, FM Bousquet stated, "I confirm that the overwhelming consensus within Cabinet is for the renewal of full diplomatic relations with Taiwan at the earliest possible opportunity." He added that "This action is not be construed as a severance with the People's Republic of China. However, the level of our relationship in the future will be based on what they consider appropriate, given the circumstances."

IN EXCHANGE FOR...

¶14. (U) Furthermore, FM Bousquet explained that the GOSL was guided only by the national interest of St. Lucia in making this decision. He claimed that one of the key reasons for recognizing Taiwan is that Taiwan is an island country like St. Lucia and that St. Lucia could benefit from following Taiwan's model of development, as well as sharing in the transfer of technology. According to Bousquet's remarks, Taiwan has promised to support the development of agricultural diversification in St. Lucia, promote linkages between agriculture and ecotourism, provide information technology and learning centers in each community on the island, among other promises. In addition, a press report

claimed that Taiwan has promised to build secondary schools and assist in establishing a university in St. Lucia.

CHINA BOWS OUT

15. (SBU) In an April 25 telcon with PolOff, a representative from the Embassy of the People's Republic of China stated that St. Lucian relations with both China and Taiwan are impossible under the One China Policy. As such, the representative stated that his Embassy will wait until St. Lucia and Taiwan formally establish diplomatic ties and then announce the severing of relations. The PRC spokesperson refused to give his name, saying he was merely monitoring the phones to share his Embassy's simple message on this issue.

UWP SWITCHING BACK TO TAIWAN

16. (C) St. Lucia maintained relations with Taiwan until 1997 when the St. Lucia Labour Party took power and established full diplomatic ties with the PRC. Speculation was rife during the December 2006 election campaign that a United Workers Party (UWP) victory would result in a return to Taiwan. Sir John Compton's 2005 meeting with Taiwan President Chen Shui-Bian in St. Vincent (ref A), which maintains ties with Taiwan, was duly noted all around. One UWP representative informed PolOff prior to the election that Compton had disclosed in private that he would recognize Taiwan if his party returned to power (ref B). However, until the budget debate, Sir John had answered questions on the issue carefully, hinting that St. Lucia would stay with China. Even as PM Compton and FM Bousquet received a delegation headed by the Taiwan Foreign Minister on March 23, Bousquet sent the Chinese Embassy a letter reaffirming his appreciation for China's foreign assistance and accepting an invitation to visit Beijing. However, the April 24 announcement may delay the FM's trip to China.

COMMENT

17. (C) The longer-term benefits St. Lucia will receive from this decision remain uncertain. On the surface, St. Lucia's decision appears to be a case of classic checkbook diplomacy:

Taiwan has outbid its PRC competitor in the short term. However, it is unclear if the promised agricultural and educational assistance will outweigh the USD 2.5 million technical and economic cooperation agreement signed with China in September 2006, the promised National Cultural Complex, and ongoing construction on the modern psychiatric hospital, schools, and hospitals not yet completed. Part of the UWP's campaign platform was the revitalization of the agricultural sector. The ruling party is likely banking on Taiwan's promise to promote agricultural diversification as a way to fulfill this pledge.

18. (C) Another factor may be Compton's geopolitical mindset from his days as a Cold War politician. Numerous UWP representatives have emphasized to PolOff that their party opposes close relations with Venezuela, Cuba, and China, also rejecting those countries' involvement in St. Lucian domestic affairs. Under Sir John's leadership, the GOSL refused Petrocaribe and has now broken diplomatic relations with China; Cuba may start wondering what else is in store. In any case, Taiwan has successfully demonstrated that diplomatic relations remain negotiable. Compton's choice will likely serve to escalate the competition for foreign assistance in the Caribbean.

GILROY